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**October 29, 2003**

**House of Representatives**

**Committee on Government Reform**

**Subcommittee on Government Efficiency and Financial Management**

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Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to be here to discuss issues critical to the implementation of financial management systems. Digital Systems Group designs and provides financial management information software and supporting services to the Federal government.

Our keystone product is the Integrated Financial Management Information System – IFMIS, which is certified by the Joint Financial Management Improvement Program. IFMIS was designed specifically for, and is used exclusively by the Federal government. DSG designed, implements, upgrades and maintains IFMIS. We take pride in and ownership of IFMIS. The result is a history of only successful IFMIS implementations throughout the government.

Beyond IFMIS, DSG has designed and implemented software to further meet the government's needs, including, Contract Sales and Inventory; Planning, Budget Formulation and Execution; Procurement; Travel; Property; Time and Attendance; and others.

In support of our system implementations, DSG personnel provide services in the areas of Business and Systems Analysis, Configuration Management, Database Administration, Data Conversion, Interfacing, Maintenance, Programming, Documentation and Training.

The combination of our software, expertise and project management skills has brought unparalleled success to multiple IFMIS implementations. For instance, DSG implemented IFMIS for the Office of Justice Programs at the Department of Justice in 90 days. OJP received an unqualified opinion in the first year of operation and for all subsequent years. DSG stood up Headquarters of the Department of Defense, Document Automation and Production Service in 180 days and their 300 sites worldwide within a year. To fully support the Naval Facilities Engineering Service Centers, we did an 87-day implementation. IFMIS went live the same day that their legacy system was decommissioned. And IFMIS is the financial system of record for the Federal Emergency Management Agency, supporting FEMA in all disaster recovery efforts.

As a private sector vendor, DSG has participated in the required federal financial management certification process continuously since 1994 – which was then under the General Services Administration. Since JFMIP took over the responsibility for system certification testing, IFMIS has undergone and been re-certified in each of the testing periods. DSG is currently the only small business with a JFMIP certified system.

Quite simply, DSG supports the JFMIP certification process. Our issue is post-certification.

While all vendors – small and large – go through the same certification process, taking and passing exactly the same test, more often than not, as per the Federal Acquisition Regulation, only three vendors are selected to participate in the procurement process. Despite having a JFMIP-certified system, and our record of only successful implementations, we are frequently not given the opportunity to even participate in the procurement process.

Since the JFMIP test is the equalizer, all vendors with a certified system should have an equal opportunity to participate in all procurements. If the government wants to encourage competition, the three vendor minimum requirement discourages competition. Vendors should not be eliminated prior to the procurement process. Vendors with JFMIP-certified systems should be allowed to demonstrate their discriminators – past performance, technical expertise and project management, for example – to the procuring agency, with the final decision being based on the merits of the system and the company supporting that system.

It follows that if all vendors are “equal” from the JFMIP certification perspective, and those vendors are given an equal opportunity to participate in the procurement process, agencies will not only select the system, but the vendor most appropriate to meet their financial management needs. Encouraging agencies to utilize and respect the competitive advantages available to them will in turn improve the success of financial management systems implementations throughout the government.

DSG is a small business working primarily in the Federal marketplace. IFMIS is a proven, mature and robust system used throughout the government. Our implementation success rate is solid. In order for us to remain a viable choice for the government, financial management system procurements must be open to all vendors with JFMIP certified systems. The certification process does not need to be changed. The procurement process needs to encourage competition.

This completes my prepared statement. I would be pleased to respond to any questions you or other Members of the Subcommittee may have.

Thank you.

Thomas B. Moogan  
Vice President/Chief Financial Officer